

# COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



## **MEDIA ADVISORY**

For Immediate Release  
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### **Is OMB Properly Managing \$65 Billion?**

*Committee to Examine OMB's Review of  
IT Projects Through Its Management Watch List*

**What:** Government Reform Committee Oversight Hearing:  
“OMB Management Watch List: \$65 Billion Reasons to Ensure the  
Federal Government is Effectively Managing Information Technology  
Investments”

**When:** THURSDAY, APRIL 21, 2005, 10:00 A.M.

**Where:** ROOM 2154, RAYBURN HOUSE OFFICE BUILDING

#### **Background:**

According to the Office of Management and Budget's (OMB) March 2004 testimony before the Government Reform Committee, OMB established a Watch List of mission-critical projects that have exhibited shortfalls in performance measures, project management, IT security, or overall justification. The fiscal year 2005 budget required agencies to correct identified project weaknesses and business case deficiencies or risk OMB placing limits on their spending. The fiscal year 2006 budget includes 1,087 IT projects, totaling about \$65 billion. Of this total number of projects, OMB reported that 342 projects, representing about \$15 billion, are on the fiscal year 2006 Watch List.

The Committee commends OMB for developing this management tool to review IT investments; however, the Committee has two main concerns about the management watch list. **First, OMB did not develop a single, aggregate list identifying the projects and their weaknesses.** The Committee is interested in exploring whether OMB has fully exploited the opportunity to use the Watch List as a tool for analyzing IT investments on a government-wide basis, or has limited its ability to identify and report on the full set of IT investments requiring corrective actions. **Second, OMB has not develop a structured, consistent process for deciding how to follow up on corrective**

**actions that it asked agencies to take to address weaknesses associated with projects on the management Watch List. OMB could not tell the Committee which of the 621 IT projects from the fiscal year 2005 budget received follow-up attention, and it did not know whether the specific project risks that it identified through its Watch List were being managed effectively.**

The Government Accountability Office (GAO) was asked to describe and assess OMB's processes for placing projects on the Watch List and following up on corrective actions established for projects on the Watch List. **GAO will release its findings at the hearing.**

The hearing will explore ways to use the Watch List to identify and resolve weaknesses, as well as ensure that the Federal government is allocating and managing IT resources as efficiently as possible. Aggregating the results at a government-wide level could help OMB take full advantage of the effort that it puts into reviewing business cases for hundreds of IT projects. A government-wide perspective could enable OMB to use its scoring process more effectively to identify management issues that transcend individual agencies, to prioritize follow-up actions, and to ensure that high-priority deficiencies are addressed.

## **WITNESSES**

### **Panel One:**

**Karen Evans**, Administrator for Electronic Government and Information Technology, Office of Management and Budget

**David Powner**, Director of Information Technology Management Issues, Government Accountability Office

### **Panel Two:**

**Dan Matthews**, Chief Information Officer, Department of Transportation

**Robert McFarland**, Assistant Secretary for Information Technology, Department of Veterans Affairs

**Rosita Parkes**, Chief Information Officer, Department of Energy

**Lisa Schlosser**, Chief Information Officer, Department of Housing and Urban Development

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